

May 17/90

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Public Accounts

Deputy Clerk: -- Mr. Van Mulligen, as chairman of the Standing Committee on Public Accounts, presents the fourth report of the committee which is hereby filed as sessional paper no. 117.

Mr. Van Mulligen: -- Thank you, Mr. Speaker. I would move, seconded by the member for Rosetown-Elrose:

That the fourth report of the Standing Committee on Public Accounts be now concurred in.

Mr. Speaker, I just want to speak to that motion before I hand the motion over. As chairman of the Public Accounts Committee, Mr. Speaker, I am instructed by that committee to move the report that is before the members of the Legislative Assembly.

In speaking to the motion I must say that I move concurrence with a great deal of ambivalence. And I say ambivalence because on the one hand I'm pleased to report that the committee has undertaken significant work, significant work on a number of departments -- I think 12 or 13 in number -- that the committee looked at and did substantial work in investigating the affairs of the officials as to their stewardship of the public funds. And I am pleased to say that the committee has done good work, Mr. Speaker, very good work that all members of the Legislative Assembly would be pleased with.

I'm also pleased to move the motion because that allows me to express my appreciation to the Provincial Auditor and his staff for their assistance and work in the committee; to the Provincial Comptroller and his staff for their work in the committee; and to Gwenn Ronyk, Charles Robert, Blair Armitage, and now Bob Vaive, who have all acted as clerks to the committee; and to other members of the legislative staff, including the Hansard staff and the library staff for their assistance in making this report possible and for assisting the committee during the year.

So again on the one hand, Mr. Speaker, I'm quite pleased to be associated with this report. On the other hand, Mr. Speaker, I am of the opinion the report does not adequately convey the considerable frustration of members trying to report fully on all of the items referred to it by the Legislative Assembly.

I think all members and the public are aware or will remember the considerable controversy that arose last year when the Provincial Auditor

tabled his report for the year ended March 31, 1988. I don't think that there was a newspaper in Saskatchewan that did not report on the auditor's comments. I don't think there was a media outlet in Saskatchewan that did not report the gravity of the remarks made by the Provincial Auditor in that report.

The auditor said things like:

With the appointment of more private sector auditors the Provincial Auditor now sees about 50% of the expenditures . . . In 1987 the Provincial Auditor saw about 90% of the public purse.

The auditor went on to make comments like:

The Provincial Auditor can no longer effectively serve the Assembly . . . (he says that) I am being denied access to information.

He goes on to charge that, in his opinion:

. . . I have been interfered with in the execution of my duties.

Those were just some of the comments that the Provincial Auditor made last year, Mr. Speaker, in tabling his report. But there's really no mention in the report to the Legislative Assembly of the depth and of the gravity of the concerns that the Provincial Auditor put before the Legislative Assembly last year. And one might well ask why?

In part the auditor's concerns were assuaged by direction from the Premier to all cabinet ministers directing that all departments and agencies provide the Provincial Auditor with all necessary co-operation to permit him to fulfil his duties and to advise their appointed auditor of the directive. In the auditor's opinion that dealt to a very great extent with some of the concerns that he had. And it seemed to the committee that there was to be a new spirit of openness on the part of the government.

Well, Mr. Speaker, even if the directive applied to departments and agencies and even if that directive might have expedited the communication between departments, agencies, and their appointed auditors and the Provincial Auditors, we did not see that openness extended at all times to the committee. And therefore I can report to you as one member, there is considerable frustration in trying to deal with all of the matters referred to by the Legislative Assembly, that we are being denied the opportunity to review certain items in a timely way that I think the Legislative Assembly demands from us.

I want to quickly point out to three examples where we did not see, we did not see the new openness in the committee but instead continued to witness a secretive government, a government that is afraid to let the sunshine come in, Mr. Speaker. In the first instance, the first order of business for the committee would be to deal, as it has done since the public accounts committees have been formed, to deal with matters in the report in a sequential fashion. That is, you deal with chapter 1, you deal with chapter 2, then you go on to deal with chapter 3, and so on.

But this committee, the government majority on this committee said, not so. Chapter 2 deals with many of the controversial items raised by the Provincial Auditor; we don't want to deal with that. We want to put that off for another year so that it's no longer timely.

That's what the committee did -- by way of motion, prevented the committee from discussing the very significant items that the Provincial Auditor brought before the public, prevented the committee from dealing with that in a timely fashion.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: -- Now that's not something to be denigrated; that's not something to play down. That is very significant -- when the auditor makes significant comments about public expenditures but the committee is prevented from dealing with that until a year later.

It's absurd, Mr. Speaker. It's bizarre. I don't know of any other Public Accounts Committee in the Commonwealth that moves in that way.

Another considerable frustration that the committee members experienced, Mr. Speaker, had to do with the Crown investments corporation, where it was reported to us that there was an unauthorized expenditure of \$2.7 million, a \$2.7 million expenditure by the Crown investments corporation. When the committee members tried to get details of that expenditure, were refused the information.

It is simply unacceptable to me, as one member of the Legislative Assembly, as it is, I think, unacceptable to all of the taxpayers of Saskatchewan, that the Government of Saskatchewan can spend \$2.7 million dollars in an unauthorized fashion and not be forthcoming about the details of that expenditure, to refuse to provide that to the members of the Assembly and to the taxpayers of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: -- That is not the mark of an open, honest government, Mr. Speaker. That bespeaks of a secretive government. That is not something that is acceptable to me. That kind of information needs to be made available to the members of the Legislative Assembly, needs to be made available to the Public Accounts Committee, and ultimately needs to see the light of day so that the taxpayers of Saskatchewan can see what their money has been spent on.

Thirdly, Mr. Speaker, I must report to you the very considerable frustration felt by members of the Legislative Assembly when even today, even today, they tried to get the majority of the committee's consensus and approval to deal with the WESTBRIDGE Computer Corporation.

Here we have the auditor in two different places reporting on the WESTBRIDGE Computer Corporation. In the one instance, decrying the fact that the Legislative Assembly doesn't get the kind of information that the

auditor feels we should be getting, because the WESTBRIDGE Computer Corporation is 60 per cent owned by the people of Saskatchewan.

And some members of the committee say, well, you can go buy a share and find out. Well we own a share, Mr. Speaker; in fact we own 60 per cent of the shares. And certainly it should be the right of the members of the Legislative Assembly to review those shares and to review our activities in that corporation.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: -- But the members were denied, Mr. Speaker, denied by majority vote of the committee, denied by the government members of the committee. Secrecy, Mr. Speaker, not openness, secrecy.

Mr. Speaker, again I want to reiterate that I am very ambivalent about moving this report -- very ambivalent. On the one hand, I appreciated very much the considerable work that the committee has done. I think . . . I appreciated and saw with pride, the way that the Legislative Assembly staff worked and assisted the committee, but on the other hand, very frustrated, very saddened by the continuing secrecy that we see on the part of this government.

Having said that, Mr. Speaker, I now move:

That the fourth report of the Standing Committee on Public Accounts be now concurred in.

Seconded by the member from Rosetown-Elrose.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: -- Thank you, Mr. Speaker. At this time I would ask for leave to introduce international guests from Poland who are on a tight schedule and have to depart from the province, and I would ask the members to grant leave to these guests to be introduced from Poland.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Schmidt: -- I thank the members for giving us this leave.

I would like to introduce to you, Mr. Speaker, and through you, seated in your gallery, a delegation led by Mr. Krzysztor Wegrzecki, the trade consul of the Polish Embassy in Montreal. He is leading a delegation of officials from his government and from his country. They are seated in your gallery here before you. And I will introduce them to the Assembly and then I will ask them thereafter to stand after the introduction and have the members welcome them.

The first guest to be introduced, Mr. Speaker, is Mr. Janusz Lewandoski, who is a senior lecturer at the University of Gdansk. He has published

three books. He is a founding member of Solidarity in Poland and -- he's an original founding member -- and is their advisor on their privatization program within the Polish government. He has been and is an advisor to Mr. Lech Walesa who of course is known to the world as a whole. Also present today is Mr. Jerzy Michalowski who is a Ph.D. economist from the Catholic University of Lublin. He has published three books and he's currently an advisor in Poland and has been in Saskatchewan for the past three or four days at the privatization congress.

Also present is Dr. Tomas Stankiewicz who is an economist with the National Executive of the Trade Union Solidarity in Poland. He is also an advisor to solidarity and the current government. He's an assistant professor of economics at the University of Warsaw.

Hosting this group in Regina today is Mr. Henry Lebioda from Regina who was born in France and is of Polish origin, is well-known and respected in the Regina Polish community.

I ask the members present today to honour these Polish guests who I will meet with at 2:30. The Premier has met with them earlier. Minister Klein has met with them. And I ask them to be welcomed here with open arms. Thank you.

Hon. Members: Hear, hear!

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Standing Committee on Public Accounts (continued)

Mr. Anguish: -- Mr. Speaker, through you I want to address the Assembly on the tabling of the report of the Public Accounts Committee, and I would want to say that through you, Mr. Speaker, my remarks are addressed to the Premier of the province because I think he needs to intervene in the case of the Public Accounts Committee through this legislature. I want to first state, Mr. Speaker, that members on this side of the House do not support the report and we do not intend to support the report.

The members that sit on the Public Accounts Committee, Mr. Speaker, as you would know, the opposition chairs the Public Accounts Committee but members of the government have the majority of votes on that Public Accounts Committee. The member from Regina Victoria who put forth the report here this afternoon chairs the committee; we also have as a New Democrat the member from Saskatoon South; behind me the member from Regina Rosemont; and myself from The Battlefords constituency.

And I would want to say, Mr. Speaker, through you to the Premier, that we are rapidly losing confidence in the committee because of the Conservative members on the committee that are blocking access to information to the extent that the committee does not function well, Mr. Speaker.

The job of the Public Accounts Committee is to examine expenditures; it also looks at the review of the Public Accounts that are tabled at the end of the fiscal years; and to also review and call witnesses before the

committee in regard to those expenditures; and finally we review the report of the Provincial Auditor. This must be done in a timely manner to begin with, Mr. Speaker, must be done in a timely manner so that members and the public are well served by the process.

Now today in the committee, we had a very interesting situation occur that the member from Regina Victoria had alluded to in his remarks in putting forward the report here this afternoon, Mr. Speaker. And I want to dwell on that for a few moments.

In the 1987-88 Provincial Auditor's report, it is one of the most condemning reports that a Provincial Auditor has ever put forward concerning the expenditures of a government. I would look, for example, Mr. Speaker, on page 112 of Public Accounts, chapter 34, and it deals with WESTBRIDGE Computer Corporation. And you would know, Mr. Speaker, and the Premier would know that there has been some controversy about WESTBRIDGE Computer Corporation in this legislature.

Mr. Speaker, at 34.00 the auditor, and I quote, says:

Westbridge Computer Corporation . . . is a crown controlled corporation within the meaning of The Provincial Auditor Act.

At 34.01 the auditor goes on to say:

The changes to The Provincial Auditor Act in 1987 resulted in crown controlled corporations being subject to an audit under The Provincial Auditor Act.

34.02:

The audit of public funds is different than an audit under a business corporations act.

Mr. Speaker, the comments of the auditor go on for a page and a half. And then at 34.12 -- this is a statement that deserves some attention from this legislature -- the auditor says:

In my opinion, Westbridge has interfered with me in the discharge of my duties.

Mr. Speaker, what happened was that when the Provincial Auditor, the servant of this Assembly, non-partisan servant of this Assembly, wanted to audit the books and the accounts of a Crown-controlled corporation of which the province of Saskatchewan put in about \$51 million and owns over 60 per cent of that Crown-controlled corporation, the auditor was refused access to information, Mr. Speaker, and I don't think that serves the public very well.

So the next stage, Mr. Speaker, and through you to the Premier, I want to point out that the Public Accounts Committee is there to safeguard those types of actions by people who are not working in the interests of the province of Saskatchewan or the taxpayers who put up the money to pay those

bills, Mr. Speaker.

Therefore on Tuesday, May 15 of 1990, I moved in the Public Accounts Committee, and I'll quote, that:

Whereas the 1987-88 Report of the Provincial Auditor makes reference to a lack of co-operation from WESTBRIDGE Computer Corporation, and whereas new information has become available to the financial affairs of this Crown-controlled corporation, be it resolved that prior to concluding the committee's examination of the 1987-88 Public Accounts, WESTBRIDGE Computer (Corporation) be called as a witness before the Public Accounts Committee.

Mr. Speaker, that was the motion that was put forward in the committee. A debate ensued, and it was quite obvious that the government members were blocking the committee from calling WESTBRIDGE Computer Corporation before the Public Accounts Committee to answer some fairly serious charges laid down by the Provincial Auditor in his annual report.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- Mr. Speaker, when it became evident to the committee -- and we met again this morning -- it became evident to the committee that they were going to block WESTBRIDGE Computer from appearing before the committee as witnesses. The member from Regina Rosemont made an amendment to the motion, if they wanted to go past the '87-88 fiscal year, and the thrust of the amendment was that if we went on to the '88-89 fiscal year that we could ask questions and examine WESTBRIDGE Computer Corporation concurrently in each of the two fiscal years.

Even then, Mr. Speaker, it became obvious to the committee that the Conservative members on the committee would block that kind of access to information as well, under instruction from people beyond the scope of the committee, Mr. Speaker.

We ask: what is trying to be hidden, Mr. Speaker? We ask the Premier to become involved in this situation. We ask the Premier to instruct his members on the committee to stop blocking access to information through the Public Accounts Committee.

When the vote finally came, Mr. Speaker, the members on the committee voted against the amendment so that they would not allow concurrent review in both the '87-88 and the '88-9 fiscal year. They voted against that, the Conservative members on the committee, Mr. Speaker. So when the main motion was put, you know what happened, Mr. Speaker. The Conservative members on the committee again voted against the motion to have WESTBRIDGE Computer appear before the Public Accounts Committee, Mr. Speaker.

I would point out to you that the auditor told us today that WESTBRIDGE Computer Corporation was formed in February 1988, the year that was under review in the Public Accounts Committee, the year where the share structures were set up, the year where acquisitions were made, the year of the birth of WESTBRIDGE Computer Corporation, Mr. Speaker.

And what do the members do? They don't want their privatization schemes being uncovered. They don't want them being scrutinized by the Public Accounts Committee through that committee for the public, for the taxpayers of this province -- information that this Legislative Assembly should have access to, Mr. Speaker.

We want to know what is it that they're hiding, Mr. Speaker. And that's why we think it deserves attention at the highest level of Executive Council and it rests on the lap of the Premier of this province and of this government.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- I would say through you to the Premier, Mr. Speaker, that it may serve your government well but it does not serve democracy and it does not serve the people of Saskatchewan well to be blocking information from the Public Accounts Committee.

Now we asked the Premier here today to reflect on the wisdom of him instructing the Conservative members on the Public Accounts Committee to allow and support WESTBRIDGE Computer Corporation appearing before the committee to answer questions about the year they came into being, the '87-88 fiscal year, and the 1988-89 fiscal year concurrently, Mr. Speaker. We asked that, through you, to the Premier of this province.

Mr. Speaker, democracy screams out for attention in this situation. There is a cover-up going on, otherwise there would be information coming before the committee that the committee has the right to see, that the committee has the right to question. It's the expenditure of taxpayers' dollars. And as I said before, Mr. Speaker, it may serve the Premier's government well, but in the long term it does not serve democracy well and it certainly in the immediate does not serve the people of Saskatchewan, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

Mr. Rolfes: -- Thank you, Mr. Speaker. Mr. Speaker, I, as a member of the committee, regret that I have to speak to the motion that was moved today in not supporting it. It had been my intention, Mr. Speaker, to support a report moved by the Public Accounts Committee, and I had great hopes that that would occur, particularly, Mr. Speaker, when you realize how we started out in the Provincial Auditor's report approximately a year ago, approximately a year ago. And, you know, we had a big controversy. It was the most damning report ever submitted in the history of Saskatchewan on a provincial government by the Provincial Auditor.

And it was finally agreed to take the debate out of this House because the Premier of the province promised the members of this Assembly that he would instruct his members immediately, to immediately discuss and debate and to scrutinize and scrutinize the report presented by the Provincial Auditor. And, Mr. Speaker, some of us said, all right, fine, we'll take it into public accounts and we'll discuss and we'll scrutinize and examine the

Provincial Auditor's comments in that committee.

When we got to that committee, Mr. Speaker, at that time, what did we find out? Lo and behold, the government members move a motion in the committee which blocked any avenue that we had at that time to discuss the first 21 pages of that report. And that report, Mr. Speaker, was the damning statements made by the Provincial Auditor of interference by the Executive Council of spending money unauthorized by any legislation -- millions and millions of dollars. And the members opposite disallowed us to examine the first 21 pages for almost one year, for almost one year. And, Mr. Speaker, let me remind the House that the report was a year dated already.

So, Mr. Speaker, they now say, well we want to listen to the people. And we're going out to the people in Saskatchewan, we set up ConSask. And we want to listen to the people. And yet when there's a legislative committee set up to scrutinize the expenditures on behalf of the people of Saskatchewan, what do their members do? They don't allow us, they don't allow us to ask the questions that we need to ask. And let me remind the members, the mandate of that committee, the mandate of that committee for all members on the government side and opposition is to scrutinize the Provincial Auditor's report and the annual reports that are tabled in this House that come under the Provincial Auditor. That is our mandate.

And when members on that side of the House, when the government members move a motion that disallow us to examine a good portion of this report, then, Mr. Speaker, we cannot carry out our function.

I've spent hours on that committee and I virtually attended every meeting. I spent hours in preparation to ask the kinds of questions that I think every member of that committee should ask. But when you come to that committee, Mr. Speaker, and you are denied access . . .

An Hon. Member: -- Stonewalled.

Mr. Rolfes: -- And yes, you are stonewalled by the government members, then frustration does set in.

And one starts to wonder what they are really trying to hide. What is there that is going to be so damning to that government? If, for example, we examine WESTBRIDGE, if they have nothing to hide; and if, Mr. Speaker, as they say, they hold up WESTBRIDGE as their jewel in privatization -- they hold it up constantly, WESTBRIDGE as their jewel, how privatization really works -- if WESTBRIDGE really is so successful and they have nothing to hide, why wouldn't they want us to examine it? Why wouldn't they want those members on that side to ask questions about WESTBRIDGE also?

Mr. Speaker, I think we can only come to the conclusion that there is too much to hide. And I ask the Premier, as did my colleague from North Battleford, I ask the Premier to intervene and to stop the stonewalling of his members, to tell his members: we have nothing to hide about WESTBRIDGE; yes, I will instruct my members to go to the next committee meeting, and to allow WESTBRIDGE to come before the committee so that we can scrutinize both the 1987-88 and the '88-89 report on WESTBRIDGE. That needs to be

done.

Mr. Minister, or Mr. Speaker, as the government privatizes partially or in whole more and more Crown corporations, there will be less and less openness and, I think, authority given to members in this House to scrutinize the public accounts of this government.

So, Mr. Speaker, I am saddened today. I was very saddened this morning by the motion that was moved by members opposite in not allowing us to pursue our job in looking at WESTBRIDGE and other things that they have constantly, Mr. Speaker. It isn't just one, it was throughout. Every time it seemed that we may find something that the public should be aware of, there was an objection by a member opposite. We can't function that way.

The members opposite, Mr. Speaker, are not there to defend the executive branch. The members opposite are there as members of the Legislative Assembly, and it is their function and their duty to participate actively in that committee and to make absolutely certain that we can carry out our function.

I'm hoping that the Premier of this province will listen to our request and he will instruct his members so that we can go back and do our job in scrutinizing the public accounts for '88 and '89 thoroughly. And I hope that he will instruct them that we will be able to go back and concurrently look at the '87-88 report of WESTBRIDGE.

Mr. Speaker, I'm saddened today because I had hoped that this committee -- particularly with the new members that were put on from the opposite side -- that the committee could function as a whole, and not function as separate units -- the government members seeming to think that they have to defend and take instruction from the Executive Council, and not help us, participating with us in scrutinizing the books and the expenditures of the government. I am saddened that did not happen. Many road-blocks were put in our way. And, Mr. Speaker, unless that changes, this committee, the Public Accounts Committee, cannot adequately perform its function.

And I agree with my members that we had hoped, we had hoped that we could function as a unit. It did not happen and, Mr. Speaker, because of those reasons, I cannot support the report. I hope that in the future that we will be able to work more harmoniously. But I do believe also, as my colleague says, that will take the interjection of the Premier of this province to instruct his members to allow the committee to do its work as we are mandated by this Assembly. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lyons: -- Thank you very much, Mr. Speaker. Mr. Speaker, I intend to keep my remarks very, very brief. I want to say, Mr. Speaker, that I concur with the other members who have spoken in this debate on the reason why I will not be supporting the report.

But I want to specifically address my comments to the Premier of the province. It appears that, Mr. Speaker, that the Premier of the province

either has a problem in transmitting his message for a new and open and consensual type of government to his members on the Public Accounts Committee or that message hasn't been transmitted. So what I'm going . . . When I finish my remarks very briefly, Mr. Speaker, I will want to leave the Premier an opportunity to reflect upon the things that members here have said today.

But I want to bring to your attention one other instance that I think represents the problems that we, the members of the committee, are having in terms of developing public accountability for the taxpayers of Saskatchewan.

One week ago, there was a motion moved, Mr. Speaker, on the Public Accounts Committee to ask the legislature to empower your committee, the Public Accounts Committee, to look into allegations of interference by the Provincial Auditor, to examine that question, because it's been raised not just last year but over the course of the past several years. And as well, that motion asked the legislature to empower the committee to find better ways and better methods so that the people of Saskatchewan could access information so that they could judge whether or not their tax dollars were being well spent.

And to the surprise to members of this side of the House, the members of the committees of this side of the House, the government members voted that motion down, a motion which was non-partisan in intent, which in fact would provide a committee with the majority of government members on it to look at ways of providing people in this province with the kind of access to that information.

But once again we saw the government members of the committee refusing to step forward into the future, refusing to take that necessary step to develop the modern technologies to allow people in Saskatchewan access to information on how their tax dollars are being spent, which raises in the mind of the members on this side of the House, the members of that committee, the sincerity, not necessarily of the government, although that question has obviously now been raised, but the sincerity of at least those members, the government members of the committee, in allowing for accountability of tax dollars. And that's what this issue fundamentally and primarily is about. That is why this issue is being raised today, Mr. Speaker.

So I would ask the Premier on behalf of the members of this side of the House and all those taxpayers who want to have accountability for their tax dollars, ask the Premier to reconsider, reconsider or at least consider the action of his members of the Public Accounts Committee and perhaps instruct them to look forward into the future, into the 1990s and beyond in terms of accountability.

Having said that, Mr. Speaker, I would now move that the debate adjourn.

Some Hon. Members: Hear, hear!

Mr. Hopfner: -- Thank you, Mr. Speaker. Mr. Speaker, I'm saddened today to

hear members of the opposition stand in this Assembly and speak the way they have in regards to the Public Accounts Committee. Mr. Speaker, I am one of those members of the Public Accounts Committee that, yes, does sit on the government side. But I want to, first of all, bring to your attention -- and to this Assembly's attention as well as the public that may be watching this fiasco that members of the opposition have been so stating here in this Assembly -- is that I'd like to, first of all, ask the question as to what is public accounts, and answer that question to the best of my ability.

Public accounts is a committee that is a non-partisan committee that is established by this Assembly. Mr. Speaker, I am one here to stand in my place as a member of that committee. And as members of the opposition, the NDP opposition, have accused this side of having ministers or others of some sort in nature whether it be individuals, civil servants, I believe -- I guess you can cast aspersions on many of the individuals that they're referring to -- indicating that those individuals have basically told me how to react in that committee.

Mr. Speaker, I stand here in this Assembly to say to you that there has never been one individual in Executive Council, from the Premier right down to any one of the ministers, that have ever indicated to me what questions or how I should vote one way or the other in the Public Accounts Committee. I want to indicate to you that I truly acknowledge that committee as an independent committee, and I truthfully, as all the rest of my colleagues will agree, that as we want, as well, from the government side to know that dollars are duly spent. And, sir, it's duly spent in a most honourable fashion in all departments that come before the Public Accounts Committee. And I want to indicate to you, sir, that there are wide-ranging possibilities of expenditures and expenditures going wrong and departments have to be brought accountable to, and that questioning should be in public accounts.

And, Mr. Speaker, I just want to indicate to you that it was not members of the government side of the House that set the agenda. It was members of the opposition that we gave the right to set the agenda as to the departments and how they would like to see them come into the Public Accounts Committee. And, Mr. Speaker, we indicated to them to pick the ones that they wanted, or all of them. It didn't matter to us. They deleted departments that they didn't feel were necessary to bring into the Public Accounts Committee. I want to indicate to you, sir, that I would be the last to have not allowed departments into that particular committee that belonged in that committee.

(1445)

I want to say to you, sir, that we've had now personal attacks in this Assembly to members of the committee on the government side indicating that we were being very partisan and we were hiding things. We were being unlawful, etc. I want to indicate to you, sir, that that was due to the fact that we, on the government side of the committee, were trying to take the politics out of that committee and keep it on a non-partisan nature. And that when the auditor's report was referred to the committee through

this Assembly, when we sat down to deal with the 1987-88 report, members of the opposition wanted to deal directly with the front 20-some pages, basically so that they could just stay into the political side and political nature. Because they knew they couldn't deal with it here in the Assembly, and they thought they could carry on with that kind of publicity while the media were there and in anticipation that they could really stay into the, well, the gutters of politics.

I want to indicate to you, sir, and to the public of Saskatchewan, that the first pages, the first 20-some pages of the auditor's report are certainly watered down. As we went through all the other departments that members of the opposition wished to bring forward, there was a lot of the concerns that were eliminated, sir. And if anybody wishes to read the verbatim in Public Accounts, they would see that a lot of the concerns of the auditor's were through that verbatim and through the questioning of the various departments, had been done away with. And there has been agreements with the auditor's office and the various departments concerned.

The only damaging report in the '87-88 auditor's report, the only damaging material here is that of the nature of the NDP that cast aspersion upon government ministers and civil servants in the public service. And I would like to apologize to those people on behalf of the committee, sir, as I stand here. I don't believe for one moment that any member of the opposition should pick out individuals by name and cast aspersions upon those individuals when those individuals have no right to come forward and defend themselves, and members opposite know that very well.

In fact, sir, the committee did apologize to one official during the drilling of a particular individual's department. And the motion was duly passed during that committee, and I appreciated the official's acceptance of that apology and it was left at that. But it was fairly damaging, and I don't believe for one moment that this committee is there to be raking any individual over the coals. We're there to ask questions and we're there to ask questions of various expenditures.

I want to indicate that when members opposite decided that they did not and would not go along with the recommendation of the report, it really disappointed me, sir, because they voted in committee that they accepted the recommendations of various departments that we've seen.

And there was many times that on those motions, as we've gone through various departments, and, sir, if I can just mention a lot of the departments like: agricultural development corporation, Consumer and Commercial Affairs, the mail delivery, Principal Trust investors, Department of Environment, Department of Finance, education and health tax, PEBA (Public Employees Benefits Agency), Department of Agriculture and Food, Farmers' Oil Royalty Refund Act, contractual payments, farm purchase program, Saskatchewan Beef Stabilization Board, Sheep and Wool Marketing Commission, and so on and so forth.

And, Mr. Speaker, every one of these departments that we've gone through and that we've recommended acceptance to, have gone away. We've tabled this here today. Every member had passed a motion that they had asked

enough questions of these departments, but it's all subject to recall. And there's many times where members, if they were not satisfied, were told in the committee that they could recall any one of the departments.

Where it all surfaced, sir, was on the last couple of days when we got back into the first part of the Public Accounts debate and the first 20-some pages where they had indicated that they'd like to see WESTBRIDGE come to Public Accounts Committee. And we had taken the particular stand -- and so did the Provincial Auditor -- because it was also in the Provincial Auditor's copy here, on 273, I believe, of the Provincial Auditor's report, where he himself had indicated that there is no law requiring the audited financial statements for these corporations created under a business corporations Act to be tabled in the Assembly. And if they're not tabled in the Assembly, then we don't deal with them in public accounts, sir. So this is the particular problem the opposition, the NDP opposition, have with the auditor's report.

Now the auditor himself had indicated that he had a problem with that kind of law, and that's fair. The auditor can deal with that in due course and he can make his recommendations to the committee. That's fine too. And the thing is, is basically when arguments come forward . . . WESTBRIDGE was not the only one cited in that whole group of departments. We had the Meadow Lake saw mill, CIC Industrial Interests Inc., Prairie Malt Ltd., Westank Industries, and SaskPen and WESTBRIDGE Computer Corporation. So there's others.

But why were they trying to bring WESTBRIDGE in there? Because they thought they had something political, and that started here in the Assembly and so did the auditor's report prior to it coming into the public accounts. And that's what I say, sir. They are not willing to keep the politics out of a non-partisan committee of this Assembly.

I as a member cannot help them if they wish not to take that . . . if they refuse to keep the non-partisanship out of the Public Accounts Committee, well they can make all the assertions they want. And I indicate to the members opposite as well that public accounts is open to anyone in the province who wishes to come and see them and hear. The media have the right to report on public accounts, and they do. And the media also had recognized that a lot of what was in the front of the auditor's report had been certainly watered down as we went through the departmental questioning.

There has been some concern again raised here with appointed auditors. I see nothing wrong with appointed auditors, sir, and that's a philosophical belief. The members opposite had appointed auditors when they were in government, and I guess probably they've changed their opinion. And so be it; they're entitled to change an opinion.

I'd like to say, sir, that the witnesses that have come before the committee on many occasions would go out of their way to bring information to the committee. And I want to definitely acknowledge that. I don't want the public of this province to ever believe for one moment that members of the opposition did not have the right to ask questions of any of those

witnesses and departments. As we have gone through the year, and as the indication from the member from Saskatoon had indicated some time ago, that when the public accounts of '87-88 report had began, there was a turmoil.

The reasons for probably excluding the first parts of the report in the first place is basically just for that purpose, is so that a lot of the argument can be . . . and the partisan, political argument can be taken out of the auditor's report and the questions can duly be asked of the departments and the civil servants and then we can ask questions of the Provincial Auditor if there has been a particular result. As I indicated earlier, members of the opposition were appalled by the fact that we moved the motion from the government side; we'd moved the motion to delete the first 20-some pages and move on.

I want to indicate to you here, sir, that for the 1989 report, that they too have done the same thing. They want to deal with the accountability process and the corporation accountability, but they want to deal later, The Tabling of Documents Act, The Government Organization Act, and they want to get immediately into Crown investments corporation in Saskatchewan.

Well they're the ones asking us to delete some of the front pages of the auditor's report for 1989. I mean they can't have it both ways, sir. If . . .

An Hon. Member: -- That's not true.

Mr. Hopfner: -- Well the member from Saskatoon says it's not true. This is the documentation I got from the chairman of public accounts and he's on the NDP's opposition side of the public accounts. And I say to you, I say to you, sir, that members opposite before they make some statements they ought to check and take note of how they've asked us to see 1989 public accounts report carry on.

Anyway I say to you, sir, that I do not believe for one moment that there has been . . . any one department has covered up anything. I do not believe for one moment that there has been any indication of those departments doing that, because members of the opposition had all the right in the world to call those people back if they believed that there was some sort of a covering up of various different civil servants in various departments.

And, sir, those personal aspersions upon members of the committee, upon members of the departments, the civil servants, and in fact ministers and other Crown corporations, it's understandable I guess because I can understand that the NDP are very, very upset that they did not find that kind of so-called corruption and cover-up and all those drastic and gutter accusations and innuendoes that they've been throwing at the government and their officials. I actually believe, sir, that as we apologize in the Public Accounts Committee, I so believe that members of that committee ought to apologize to the Assembly in standing before the committee . . . or the Assembly, with speaking against the motion.

If they were not prepared to pass the motion and the recommendation to this

Assembly, sir, this debate should actually also be carried on in public accounts; it should not be back in this Assembly. And members know that. And members know that when they were government and when we were in opposition years back and we sat in public accounts, that procedures were dealt with the same. I mean, it's a tradition of this Assembly that public accounts carry through on a certain format and that unless individuals are not satisfied, not to release any department.

(1500)

Again, I hope that if I've left any bit out, of concern, that other members of the committee would speak. I don't believe I've left anything unturned that might have been left out. But I want to indicate to you, sir, that I feel, and I feel very good about the fact that this government has been very open in public accounts, has been very open in Crown corporations, has been very open to this Assembly and to the people of this province.

And I want to take this and I want to remind this Assembly that it was this administration, this government, that has brought the TV cameras into this Assembly, that have brought the media into all committees of this Assembly, and that the medium is representing the public as well and will deliver two points of view or at least . . . not two points of view, but will kind of deliver both sides of the argument. And from there, people can make up their own minds.

But I for one cannot understand how the member from The Battlefords or Saskatoon Nutana or the member from Saskatoon Rosemont, and especially the member from Regina Victoria who moved the motion, could stand in the Assembly and cast those kinds of aspersions upon members of the committee as they've so done.

I want to indicate to the chairman that I am still willing to work with the chairman in all openness that I possibly can. I think we've had a fairly decent co-operation from both sides back and forth. And I must admit, sir, that I found it rather ironic that he certainly had to bring to order many times, members of his side of the committee in their radical accusations and radical-type motions and interjections that they would bring into the committee to just disrupt it.

I want to say, the member from Saskatoon Nutana, as long as he was in that committee . . .

An Hon. Member: -- Saskatoon South.

Mr. Hopfner: -- Or Saskatoon South, I'm sorry . . . that as long as he was in that committee and was in that committee alone, away from the member from North Battleford and the member from Rosemont, that I'd say that the committee had functioned very well. He had asked many good questions. But I'll say that the member from North Battleford and the member from Rosemont, you know, they did bring a little bit of that basic political argument into it, and they're the ones that delayed many times, many times, the working of the committee. And I will say that that is why I was disappointed. We sit there and we listen to a lot of that wrangling. And

I want to say that if these members can bring themselves under control, we're prepared to carry on, very much so, and get into the 1989 report.

I think the members opposite will find as we get into the

1989 report, and has been indicated in the verbatim in '87-88, that a lot of the concerns have been addressed. The auditor's report in '88-89 is definitely going to be a lot more mild than what it was here.

I also want to bring to the Assembly's attention that it was duly noted and duly noted by the public, by the news media to the public, that even the auditor had said he had over-reacted when he made the accusation that Tory administrations were interfering with the workings of the auditors. And he apologized to the committee for that. It was possibly taken a little out of context.

And I want to say that members of the opposition had been trying to take advantage of some of the remarks of the auditor and were trying to make a lot of political mileage out of the Report of the Provincial Auditor. And I say, sir, that in all due respect, that members opposite are very upset today because they did not make that political mileage, because they found that it wasn't there. They found that the various departments had come to agreement with the Provincial Auditor and they're very upset about that. They wished, sir, the members of the NDP opposition wished that our government would not come to an agreement with the Provincial Auditor, wished that we would try to outwardly pick an argument and a fight with the Provincial Auditor.

But that's not our mandate, sir, we're here to serve the public and the people of Saskatchewan. We're here and I'm here as duly-elected member of the Cut Knife-Lloydminster constituency to protect the public's interest firstly. And I take pride in doing that. I take pride in serving on the Public Accounts Committee. I think it's a very functionable committee if members want it to be functionable.

And I ask and in fact I plead with members of the opposition to keep the politics out of the Public Accounts Committee and to come to their senses and to keep it in a proper decorum, ask proper questions of the civil servants who will get the proper answers and will be able to make proper reports to this Assembly.

Mr. Speaker, I do not accept for one moment the accusations that were made from the members of the opposition. I think they owe the people of this province an apology and, sir, I will be supporting the recommendation of the committee.

And I want to thank very much all the departments. I want to thank all the officials that came before us. I want to thank the law clerks and I want to thank the Assembly law clerk. I think we had to call him in for some advice now and then. I want to thank the clerks of the Assembly as well. I join with the chairman of the committee.

I definitely do not agree with the NDP opposition with not agreeing to accepting the 1987-88 report. I accept it wholly and I thank the auditor

for bringing a lot of these problems that he has had with the departments to the attention of the government members as well as the opposition, and I think we can possibly work very well with the acting auditor in the upcoming year.

I think at the expedience of all that I'll take my place now, sir, and allow other members to speak. But I thank you for the time in allowing me to say that I think that the public of Saskatchewan in reading the verbatim -- not all the verbatim, but most of it -- and hearing the answers of the public service, that they would be duly satisfied in the expenditures of the various departments that we had to deal with. Thank you, sir.

Some Hon. Members: Hear, hear!

The division bells rang from 3:09 p.m. until 3:14 p.m.

Motion agreed to on the following recorded division.

Yeas

Devine	Klein t
Muller	Pickering t
Schmidt	Sauder t
McLeod	Toth t
Lane	Duncan t
Hepworth	Petersen t
Maxwell	Wolfe t
Hardy	McLaren t
Kopelchuk	Baker t
Meiklejohn	Swan t
Martin	Muirhead t
Hopfner	Johnson t
Swenson	Gleim t
Neudorf	Britton t
Gerich	Gardner t

-- 30 R

Nays

Romanow	Kowalsky t
Prebble	Atkinson t
Rolfes	Anguish t
Shillington	Hagel t
Lingenfelter	Pringle t
Koskie	Lyons t
Thompson	Lautermilch t
Brockelbank	Trew t
Mitchell	Van Mulligen t
Upshall	Koenker t
Simard t	

-- 21 R

ORAL QUESTIONS

Provincial Tax on GST

Mr. Romanow: -- Thank you very much, Mr. Speaker. My question today is to the Premier and it concerns the proposed federal GST: goods and services tax. Mr. Speaker, I have in front of me here, photocopies of several statements made by ministers of this government on the question of whether or not here in Regina and in Saskatchewan, it is the intention of the government opposite to add the provincial sales tax of 7 per cent -- which as we know has been increased by 2 per cent since this government has been elected -- to add that provincial sales tax on top of the GST when it comes into place on January 1.

Mr. Speaker, the province of British Columbia has indicated that it will not do this and therefore my question to the Premier, Mr. Speaker, is as follows: in the light of the statement made by the government of the province of British Columbia, will the government here in Saskatchewan reconsider its decision to put a tax on a tax? Will you reconsider it and adopt the same position as British Columbia?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: -- Well first of all, Mr. Speaker, relative to whether the tax should be on top of the GST or it should be side by side, that decision has not been taken. Secondly, the existing law today, however, requires that the province be the last tax in. Thirdly, because that is a very serious and complex issue and one that deserves some serious study because it does appear that the federal government is going to go ahead with the implementation of the GST, I yesterday announced the formation of an advisory committee to give me some guidance on that issue and others, so that we don't have the implementation as complicated and confusing and complex as the GST in its development has been, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: -- Thank you, Mr. Speaker. I have a new question to the . . . I guess it's the Minister of Finance who's answering on behalf of the Premier today, so a new question to the Minister of Finance.

Mr. Speaker, the Minister of Finance says that he has yesterday announced an advisory body -- one might add, yet another advisory body established by this committee -- to look at the question of tax on tax. And I might add, Mr. Speaker, that this new advisory body is some nine months after the fact of the federal technical paper on the implementation of the GST -- nine months.

Now, Mr. Speaker, my question therefore to the Minister of Finance is this: the minister says and you say, sir, that there's no final decision, that this is a matter which has been referred to the task force, so called. Why do you take that position, Mr. Speaker, since what I'm talking about is a basic, fundamental question of principle not detail -- which a task force or an advisory body might study -- but a basic concept of principle: whether it's right or wrong for a provincial government to be taxing on top of tax.

Why do you take that position? Why do you see it necessary to slough this off to yet another advisory committee when the people of Saskatchewan -- everybody is going to be affected by this tax -- wants to know in principle, in policy terms that you're going to say, no, this is a wrong thing to do; we don't want the tax on tax.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: -- Well I'm going to involve and look for advice from this advisory group that will be made up of business people, consumers and farmers, Mr. Speaker, because I think the issues that we face are serious ones and do deserve input from those who are going to be directly affected by it on the front line if we're to avoid, as some have described it, chaos at the cash register.

I'll have to reiterate for the hon. member, I did not say that we were going to go with the tax on top of the existing . . . on top of the GST. I said no decision has been taken. I would reiterate once again that if he finds the law that was the law that his administration operated under some several years ago that requires that the provincial tax be the last tax in, that is the law today. That doesn't mean to say that one couldn't change it, but that's the kind of decision that I'll be looking for some input. The practice today is that the existing hidden federal sales tax, the 7 per cent sales tax provincially is on top of that tax today. I would just offer that information by way of background to the members of the House, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: -- Mr. Speaker, I have a new question to the Minister of Finance on this issue. Mr. Speaker, I would point out to you, sir, and to the Minister of Finance that other provincial governments face the same questions and problems that the Minister of Finance says he has here in the province of Saskatchewan.

But we're talking about a principle, not a detail. Who in the world can advise the policy makers in this province, namely the government, on a matter of fundamental policy except the policy members.

And, Mr. Speaker, I would say to you and to the Minister of Finance that in today's Globe and Mail the British Columbia Minister of Finance says for example the following:

"We believe it would be unethical for us to be opposing and criticizing it if at the same time we took an opportunity for a tax grab," (Mr. Couvelier says).

In other words he says it's unethical to be criticizing it and also looking at taking the tax grab. That's a decision of policy and yet the minister calls another task force.

My question, Mr. Speaker, is why is your government taking so long to study yet this decision which would be merely decided as a matter of policy? Why

is it that it's a matter of basic principle that you refer to a committee? Why don't you simply say that it's either right or wrong -- we say that it's wrong to have a provincial tax on a federal tax -- and why don't you exhibit the leadership that at least British Columbia does and says, no tax on tax? Show some leadership.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: -- The reason we're going to have some consultation with the business and farm and consumer sector is that on January 1, 1991, we would like to have the implementation be as smooth and uncomplicated as possible. Our major objection to the GST has been and continues to be that not . . . Our major objective hasn't been the economic effects of it or the fiscal impacts of it or the jurisdictional impacts of it. Our major objection -- albeit there are impacts in those areas -- our major objection has always been the complicated nature of this tax.

And to that end the solutions to some of these issues that we must deal with, it seems to me . . . the consistent approach that I would like to take and that business people would like to take is to look at how we can do this in the simplest fashion possible to try and uncomplicate what has become a very complicated tax issue. And that's why we're going to be involving business men, consumers, and farmers in that issue in determining that issue and others, Mr. Speaker.

Mr. Romanow: -- Mr. Speaker, I have a new question to the Minister of Finance. Mr. Speaker, I would argue to this legislature today that the minister's last answer tells the true picture of the government here in Regina when he said that their major objection -- the government opposite -- the major objection to the GST federal is not the principle of the tax, but the details and the administration of the tax. That's what he said.

And therefore, Mr. Speaker, my question to the Minister of Finance is this: In view of the fact that your position is as you have said, that it's the details, the mechanisms of the tax, not the principle of the tax, in view of the fact, why don't you just simply confess and tell the truth to the people of the province of Saskatchewan. You're really on side with the GST, you want to have the tax on the tax, and that's the reason why you're not following British Columbia's lead. Isn't that the position?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: -- I find, Mr. Speaker, the hon. member's credibility wanting on this issue. If he feels so strongly about the tax on tax approach and that somehow that is a sinful approach, why is it then that that is exactly the approach that when his party was in government, that was exactly the approach that they had in law, and that is the law in the province today, Mr. Speaker.

As well, Mr. Speaker, I was criticized a moment ago for not having dealt with this issue nine months ago, Mr. Speaker. Nine months ago I was criticized for not having dealt with this issue. And now in his next question, he says, why aren't we doing something to get rid of the GST?

Well my answer, Mr. Speaker, is the reason that we didn't put our heads to this part of the issue nine months ago, is we've been spending our time saying that the GST is unacceptable, the FST (federal sales tax) is unacceptable, and they should be rethought, both of them, Mr. Speaker. That's what we've been doing over the past several months, so that we could come up with a tax that replaced the regressive federal sales tax that's hidden and regressive for our economy, and come up with something that does indeed make sense and isn't nearly as complicated and complex as the present tax, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: -- Mr. Speaker, I have a final new question to the Minister of Finance, who quite frankly is giving very contradictory answers, and I might say incredible answers.

First of all, Mr. Speaker, the record is clear. The Premier and the government opposite supported this tax, supported this tax until early fall of 1989. Just a few moments ago, the Minister of Finance himself said his main problem is the details of the tax, and the record will reveal that.

My question, Mr. Speaker, to the Minister of Finance is this: where in the world do you think you're going to uncover any member of this advisory task force, which is advising you on this, who is going to support the principle of tax on tax? Who in the world in the province of Saskatchewan is going to take the position of advising you that they should have a tax on tax when the opinion polls and the records indicate that almost everybody in the province of Saskatchewan is opposed to this as a matter of policy, and so should you be. Is it the truth that you're really refusing to take this issue where it should be taken, namely, rejecting the tax on tax? You're not facing up to your responsibilities.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: -- Mr. Speaker, if we want to have a reasoned examination of this issue, I'm quite prepared to do that with the hon. member. There are pros and cons for both approaches. As I said before, if this man is so highly principled when it comes to the question of tax policy, why is it that the legislation that he operated under has the province being the last tax in. Why is that? Perhaps he could explain that to the legislature, Mr. Speaker.

There is no question; there are pros and there are cons. I would like to have a reasoned and intelligent examination of the issue with the primary objective from my standpoint, Mr. Speaker, is having the implementation of this very complicated, confusing, and complex tax be as simple and as fair as possible. That is the objective that I have in mind, and I suspect that is the objectives of the fair-minded people that will serve on this advisory committee will have, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: -- Mr. Speaker, I have one more new question to the Minister of Finance. Mr. Speaker, the Minister of Finance said that there are pros and cons on the principle of adding the provincial sales tax on top of the federal GST tax. Pros and cons, those are his words, and the details earlier.

Mr. Speaker, my question of the Minister of Finance is simple: what pro can there be? What advantage can there be to having a tax on a tax except one and one only, and that is that you're going to get \$30 million more for your treasury in order to spend that money for the Cargills of the world.

Some Hon. Members: Hear, hear!

(1530)

Hon. Mr. Hepworth: -- Once again the hon. member's logic I find wanting, Mr. Speaker. If there is somehow a tax grab with putting the 7 per cent provincial sales tax on top of a 7 per cent GST, and that somehow is too sinful for the public to bear in the environment of the '90s, then why was it that the hon. member didn't take the sales tax when he was in government off the hidden, what is today thirteen and a half per cent federal sales tax. I find the logic there wanting, Mr. Speaker.

Secondly, Mr. Speaker, his facts are wrong. I want the House to clearly hear this. He is wrong when he says there is a \$30 million gain by putting the provincial tax on top of the existing GST. He is wrong in that number. My understanding, Mr. Speaker, of the tax on tax would result in a gain of about \$5 million for the provincial treasury and a side-by-side application would result in a loss of about \$35 million to the provincial treasury, Mr. Speaker.

Some Hon. Members: Hear, hear!

SIAST Board of Directors' Expenditures

Mr. Rolfes: -- Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Education. Mr. Speaker, last Tuesday in this House, the minister failed to give an adequate explanation of the \$700,000 expenditure for two new head offices for SIAST (Saskatchewan Institute of Applied Science and Technology) in Saskatoon and Regina. He also failed, Mr. Speaker, to adequately explain why they would spend \$215,000 in renovating and furnishing the Regina office and then vacate it one year later. Mr. Minister, my question to you today is this: Could you explain to the people of Saskatchewan, when SIAST has a deficit of \$1.9 million, why your board of directors have spent \$133,000 in retainers, honorariums, and expenses between August 1989 and May 1990. Why \$133,000 expenditure during that period for your board of directors?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- Mr. Speaker, let me correct the hon. member firstly with regard to the expenditures on the corporate offices here in Regina. He had indicated the other day that some \$700,000 had been spent on the two

offices, and I would like to correct that. With regard to the expenditures here in the city of Regina, the actual expenditures were only \$60,000, not the sum that the member has indicated opposite. The fact of the matter is that there were furnishings that were leased, they were not purchased, and there was quite a substantial saving there.

Also I would point out with regard to the Saskatoon office, Mr. Speaker, that some \$200,000 were spent, not the amount that the member opposite had indicated. And I think that when we consider the fact that the offices were going into undeveloped space where everything had to be done right from scratch, that there was a substantial amount of money that was needed.

With regard to the amount of money that was spent on retainers and this sort of thing, Mr. Speaker, I would suggest to you and to the member opposite, I will have to get that information for him. I do not have that with me and I do not have an understanding of what it would be. So I will take notice of that and get the information for you.

Some Hon. Members: Hear, hear!

Mr. Rolfes: -- Mr. Speaker, the document that I read from the other day and we gave to the media was a cabinet document. So if the minister wishes to differ with that cabinet document that was signed by the Premier of this province, then he has to talk to his Premier.

Mr. Speaker, I want to say to the minister, I have a document here, another government document which clearly states that the board of directors . . . shows that the honorariums, retainers, and expenditures for the board of directors at SIAST was \$132,814 for the last 10 months. That, Mr. Speaker, I want to say to the minister is \$13,000 a month.

Mr. Minister, there is an expenditure also here in this document of \$1,804 to send the chairman of the board to Boca Raton, Florida in the dead of winter for a management course. Mr. Minister, my question to you is this: is this extravagance part of looking for a world-class SIAST that you were talking about, or, Mr. Minister, is this to send the chairman on a holiday to Florida in the dead of winter? Which one is it?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- Mr. Speaker, in all fairness, I think that the member has to also consider the fact that there are representatives from the universities, from other institutions, trustees association -- I dare say the Saskatchewan Teachers' Federation. They attend conferences in different parts of the world, Mr. Speaker. I don't think that there's anything out of line here.

And with regard to conferences that the administration or board members from SIAST would attend, that's up to them, Mr. Speaker, in the same way that we do not monitor all of the expenditures that go to the universities when faculties, when faculty members attend conferences in different parts of the world, or members of the administration. Those are independent bodies, Mr. Speaker. So we're not keeping track of that. That's up to

them to look after their own finances.

Some Hon. Members: Hear, hear!

Mr. Rolfes: -- Mr. Speaker, let me just make an observation that I think this is the way former Tory candidates get treated. In the dead of winter they get sent to Boca Raton, Florida for their failure to win an election in this province.

Mr. Speaker, this document also shows, this government document also shows that there was a total spent of \$5,698 for a two-day retreat by your board of directors in Waskesiu. Over \$5,000 were spent.

Mr. Minister, my question to you is this. At this retreat . . . Was it at this retreat where they decided to cut the 26 staff positions? Was it at this retreat that they decided to increase the student tuition fees by 10 per cent? Or was it at this retreat that they decided that they didn't have to use the Regina head office where they had spent \$215,000 and now were going to move to Saskatoon? Are these the decisions that were made at Waskesiu for a cost to the taxpayers of almost \$6,000?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- Well, Mr. Speaker, I've already indicated what the expenditure was at the Wascana Campus, the corporate office here in the city of Regina.

Now I think that if the member opposite was interested in anything other than politics, that it might be a good idea for him to contact the chairman of the board for SIAST. Is he not interested as well in some of the expenditures and meetings and workshops that were held by the administration from the University of Saskatchewan? What about the board of governors from the University of Saskatchewan? I know that when I was on that board that there were seminars held from different times, and there were many different things discussed with regard to the operation of the university.

So I mean why is he singling out SIAST and making personal attacks on the chairman of the board? If he's got another agenda, then, Mr. Speaker, I would suggest that he talk to the chairman of the board.

Some Hon. Members: Hear, hear!

Mr. Rolfes: -- Mr. Speaker, a new question to the minister. Mr. Speaker, that's a very honourable suggestion to make. I want to remind the minister that I wrote the chairman of the board in December, I believe it was December 15, 1989, asked him some of the questions about policy and expenditures of the board of directors. He wrote me back in January and said, well, we haven't established a policy yet; until we do, we don't know how we're going to respond to the public. I wrote to the minister and asked him also, that I needed some of these answers and answers were not forthcoming.

Mr. Minister, Mr. Speaker, it is unacceptable, it is unacceptable for the government, the government-appointed people of SIAST to spend \$700,000 in offices that aren't used; to spend \$133,000 for honorariums for their board members; to spend \$6,000 on retreats; and to spend over \$1,800 to send a former cabinet . . . a Tory candidate to Florida -- that's unacceptable when they increase.

My question is: how do you justify all these expenditures and then say to students, now you must help us to reduce the \$1.9 million debt? How do you justify that?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- Well it always amazes me, Mr. Speaker, when an educated person will stand up and make some of the accusations and be fast and loose with the numbers, such as the member opposite. When we . . . I pointed out that the member from Saskatoon South makes all of these allegations, he comes out with all of these figures, I've already indicated what the costs were with regard to the corporate office, but he doesn't make any mention at all, Mr. Speaker, with regard to the additional . . .

The Speaker: -- Order, order. The minister is attempting to answer the question and I think he has the right to receive your attention.

Hon. Mr. Meiklejohn: -- The member opposite, Mr. Speaker, is only interested in educational politics, not interested in policy whatsoever. I would point out that there has been a substantial increase to the budget of SIAST this year. We've got many new programs that are being designed to prepare our students for the 21st century, something that that government did not do when they were in power, Mr. Speaker. We also consider that we have about 22 per cent more spaces today, 22 per cent more spaces today in SIAST then when that government was in power. We've got a new Woodland Campus in Prince Albert which addresses the concerns and needs of the north.

I think that we've done a tremendous amount with regard to SIAST, Mr. Speaker. And the member opposite knows full well some of the many, very beneficial changes that have been made. And there are some very good things that are happening at SIAST, and we will continue to work with them in preparing all of the students that enter those programs and prepare for the 21st century, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Rolfes: -- Mr. Speaker, I want to say to the member opposite, I am quoting from government documents. I am quoting from government documents which clearly indicate -- cabinet documents signed by the Premier of this province -- which clearly indicate that you spent \$700,000 on offices that you didn't use, offices that you were vacating within one year. Had you stayed at Wascana and had you stayed at Kelsey, you could have saved \$700,000, and you wouldn't have to ask the students now, you wouldn't have to ask the students now to pay for that deficit. It's your incompetence, your mismanagement, and, Mr. Minister, you owe an explanation to the people

of this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- Mr. Speaker, I'd point out to the hon. member opposite, we have some excellent remedial math programs at SIAST, and it might be a good idea for him to enrol in one.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: -- The fact of the matter . . .

The Speaker: -- Order, order. Perhaps the hon. member from Saskatoon Nutana would like to ask the next question.

Hon. Mr. Meiklejohn: -- Thank you very much, Mr. Speaker. He could also maybe take a lesson in etiquette as well while he's at it.

I would point out, Mr. Speaker, that because the amount of \$700,000 was requested, certainly does not mean that all of the money was spent. I've indicated the amounts of money that were spent with regard to the two corporate offices. The reason for now moving the Regina office to Saskatoon is to increase efficiency and to save even more money, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

The Speaker: -- The minister has a ministerial statement to make. We have in fact gone past ministerial statements very clearly, and we're going to need leave of the House to go back to ministerial statements. Is leave granted?

Leave granted.

(1545)

MINISTERIAL STATEMENTS

Report on Consultation Tour regarding Community and Economic Development

Hon. Mr. Gerich: -- Mr. Speaker, this afternoon it's my pleasure to table the report of my consultation tour on community and economic development in Saskatchewan. In February and March I went on a consultation tour that took me to 21 Saskatchewan communities where we met with over 350 representatives of 141 Saskatchewan communities.

The message I received on the tour was clear, Mr. Speaker. Communities across this province, from Coronach to Wilkie and from Dysart to Tisdale, want to diversify their local economy. They're looking at developing manufacturing, processing, tourism, cottage industries, in their own towns and villages.

And they're also looking to government to help facilitate their goals, Mr. Speaker. I heard quite clearly that the number one concern of the communities was about growth and survival of their areas, and it was the interest rates and access to financing.

Leaders in rural Saskatchewan recognize the need to offer their young people a future dependent on something more than agriculture. They also recognize, Mr. Speaker, that to create those opportunities, they will need access to financing. They will need pools of equity capital, Mr. Speaker. So it is not surprising that those communities are very interested in the concept of community bonds. I can tell you that . . . and this House, the people in rural Saskatchewan are excited about the prospects of community bonds.

Mr. Speaker, my tour confirmed that all of us are concerned about the future of our rural way of life, but those difficulties have bred determination. I'm happy to tell you that there is a growing entrepreneurial and pioneering spirit in rural Saskatchewan. A number of communities are organizing economic development committees, rural development corporations, and tourism committees to take advantage of government programs that act as facilitators for economic development opportunity.

Mr. Speaker, those communities who are not organized are looking at getting organized. Rural Saskatchewan told me, Mr. Speaker, that they do not believe government can do everything necessary to diversify their local economy. But they do believe that with the government as a facilitator, they can do it themselves, Mr. Speaker. And that was the message I got, loud and clear.

Don Warner, the economic development officer for the Pheasant Creek Rural Development Co-operative in Balcarres, said at my meeting in Strasbourg, the days are gone when the provincial government has to spoon-feed the province. It's time for communities to do things for themselves. The key is to work together.

Mr. Speaker, this government is prepared to work together with local communities to help create opportunities for the future. I thank all those that have participated in the tour and I congratulate them for their concern and their pride in their community. Together we will secure a brighter future for rural Saskatchewan through diversification, tools like community bonds, and the return to the pioneer spirit that built this great province over the years.

Some Hon. Members: Hear, hear!

The Speaker: -- I listened carefully to the minister's remarks. Rule 348 of Beauchesne's, Sixth Edition, reads as follows:

Ministers may make a short factual announcement or statement of Government policy.

I didn't hear an announcement of government policy. The ministerial

statement is out of order.

Some Hon. Members: Hear, hear!

The Speaker: -- Why is the member on his feet? The ministerial statement is out of order. There'll be no response.

Hon. Mr. Neudorf: -- Mr. Speaker, before orders of the day, by leave of the Assembly, I would like to make a motion dealing with sitting hours of the House.

Leave granted.

MOTIONS

Hours of Sitting

Hon. Mr. Neudorf: -- Mr. Speaker, I would like to move at this time, and seconded by the hon. member from Redberry:

That notwithstanding rule 3 of the Rules and Procedures of the Legislative Assembly of Saskatchewan, when this Assembly adjourns on Friday, May 18, 1990, it do stand adjourned until Tuesday, May 22, 1990.

Motion agreed to.

Hon. Mr. Neudorf: -- Mr. Speaker, by leave of the Assembly, I would further like to move a motion dealing with the CPA (Commonwealth Parliamentary Association) seminar coming up.

Leave granted.

Attendance of Members at CPA Seminar in Ottawa

Hon. Mr. Neudorf: -- Mr. Speaker, I move and seconded by my colleague, the member from Redberry:

That leave of absence be granted to the hon. member for Prince Albert from May 25 to June 4, 1990 to attend, on behalf of this Assembly, the Commonwealth Parliamentary Association second annual seminar in Ottawa.

Motion agreed to.

Hon. Mr. Neudorf: -- Mr. Speaker, I would further like leave to make another motion on the CPA seminar.

Leave granted.

Hon. Mr. Neudorf: -- Mr. Speaker, I move and seconded by my colleague, the member from Redberry:

That leave of absence be granted to the hon. member for Pelly from June 1 to June 5, 1990 to attend, on behalf of this Assembly, the Commonwealth

Parliamentary Association Canadian Regional Council meeting in Ottawa.

Motion agreed to.

STATEMENT BY THE SPEAKER

Ruling on Bill 1 and Bill 10

The Speaker: -- Before orders of the day, I wish to make a statement to the House. The statement is as follows.

This session we have the unusual situation of two Bills with substantially the same purpose on the order paper: Bill 1, An Act to amend The Environmental Management and Protection Act with respect to Ozone; and Bill 10, An Act respecting the Manufacture, Sale, Use, Consumption, Collection, Storage, Recycling and Disposal of Ozone-depleting Substances and Products. These two Bills have the same object even if the actual words and form of the Bills is different. It matters not that Bill 1 sets out to amend existing legislation while Bill 10 is proposed as a distinct piece of legislation; the subject matter of both Bills is ozone-depleting substances.

I shall begin by pointing out that two or more Bills relating to the same subject on the order paper is not a remarkable event in many parliaments. In fact it is sometimes the case that numerous Bills with exactly the same title are proposed. As recently as March 28, 1990, the Ontario Legislative Assembly had three Bills before it whose object is to create a heritage day. Erskine May, 20th edition, page 522, states as follows:

There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions.

Another purpose of accepting two Bills with the same subject is to prevent the introduction of Bills solely for the purpose of blocking the legislative initiative on a particular subject matter.

Beauchesne's, sixth edition, section 566, paragraph 7, states that:

A Member cannot be forced to proceed with a motion.

If procedure did not permit the introduction of similar Bills, then a single member could obstruct the House indefinitely and prevent debate or decision on an issue merely by introducing a Bill on the matter and not proceeding further with the Bill.

For the reasons given, Speakers have allowed duplicate Bills to remain on the order paper. The Speaker however also has the responsibility to prevent unnecessary repetition and to ensure that the Assembly does not come to different conclusions on questions of the same subject during the same session.

Beauchesne's, sixth edition, paragraph 558, section 1, states:

An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of a motion of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

The application of the same question rule, with respect to Bills, takes place when a decision has been taken on the subject matter. This of course takes place when the House gives or refuses second reading. In essence, once such a decision is made on one Bill, the Speaker must prevent any further consideration of the other Bill.

Beauchesne's, sixth edition, section 480, paragraph 1 states:

It is a wholesome restraint upon Members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

Because Bill 10 received second reading yesterday, it is necessary that I order Bill 1, An Act to amend The Environmental Management and Protection Act with respect to Ozone to be removed from the order paper.

I thank hon. members for bearing with me while I explain this rather uncommon, but involved procedure.

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 21 -- An Act to amend The Education Act

Hon. Mr. Meiklejohn: -- Thank you, Mr. Speaker. I am pleased to outline the amendments to The Education Act.

The Act is being amended to deal with three items: the terminology of core curriculum; the establishment of a revolving fund for the correspondence school; and the length of student suspensions and the make-up of suspension and investigation committees.

The core curriculum represents one of the most ambitious programs of educational reform in Canada. It will involve rewriting the curriculum at all grade levels in every major school subject. Development and approval of core curriculum was completed in March 1987. Implementation began on March 1988 and will be ongoing for some 10 years. The amendments to the Act concerning core curriculum include minor updates to several sections and will make the Act consistent with the terminology being used with core curriculum.

The correspondence school provides individuals with lifelong learning opportunities at the grade 9 to 12 level through distance education. The school plays a vital role in enhancing the quality of education throughout

the province by offering additional electives that may not be offered locally, especially in rural areas, offering courses to students whose numbers are too low to form a regular class, offering adults an additional opportunity to take high school courses, providing non-specialist teachers with valued learning material, and enrolling Saskatchewan residents who are temporarily residing elsewhere in the world.

The amendments to the Act will establish a revolving fund for the correspondence school. The fund will allow the school greater flexibility in its operations to accommodate increasing enrolments and improvements of service.

This Act presently allows for a principal to suspend a student for a maximum period of one day for serious misconduct and seven days for gross misconduct. Unfortunately, these limits do not always provide directors and boards of education sufficient time to investigate serious problems. The amendments will increase the maximum allowable suspensions to three and 10 days respectively. This additional time will allow the authorities to thoroughly investigate more complex situations.

Finally, the present wording of the Act does not state clearly that a suspension investigation committee can include the principal and director involved in a suspension. The amendments clarify this provision.

Mr. Speaker, I'm pleased to move that Bill No. 21, The Education Amendment Act, be now read a second time.

Ms. Atkinson: -- Thank you very much, Mr. Speaker. Mr. Speaker, I want to briefly address some of the contents of the changes to The Education Act, and I will have very specific questions for the minister once we get into Committee of the Whole.

First let me say that I agree with the minister that the terminology that is being changed in the proposed amendments has to do with the core curriculum and its implementation. What we are doing is moving away from the terminology of division 1 through to 4, and we're now moving to appropriate terminology which will be elementary, middle, and secondary years. Mr. Minister, we have no difficulty with that particular amendment to The Education Act.

In addition, Mr. Minister, the second portion of the legislation that's being amended is the length that a student can be suspended from school. As we understand it, at present the maximum number of days that a student can be suspended for particular infractions ranges from, I believe, one to three days. And what this particular legislation proposes to do is increase that. Once again, Mr. Minister, we have no particular problems with that.

(1600)

The third thing that this particular legislation proposes to do is to clarify disqualification of boards of trustees. At present the legislation does not outline clearly what provisions there are for the disqualification

of trustees, and once again we have no particular difficulty with that particular amendment to the legislation.

The fourth provision is setting up the Correspondence School Revolving Fund. And I should tell you that on the surface this does not look to be a particularly bad amendment to The Education Act. We have inquired, through the Department of Education, as to what this particular provision will mean, and they tell us that at present the correspondence school funding has been paid from the Consolidated Fund and any income received by the school was paid to the Consolidated Fund.

We're advised that the government believes that this change will simply eliminate the needless transfer of revenues from the correspondence school to the Consolidated Fund and then back to the correspondence school. However, when you look at the printed Bill there are some disturbing possibilities, and the disturbing possibility is that the treasury board now has the right to charge fees on goods and services provided by the correspondence school up and above the fees already being charged by the correspondence school itself. Unlike the fees charged by the school, which are deposited into the Correspondence School Revolving Fund, the fees charged by the treasury board will go into the Consolidated Fund.

In brief it appears as though the government is attempting to make the correspondence school totally self-financing. While the provincial government will pay for some of the operations of the correspondence school out of the Consolidated Fund, using this legislation they will be able to recoup this money by extra billing of users.

We have difficulty with that because at present there obviously is some subsidization on the part of the people of Saskatchewan, of fees that students pay when they obtain particular correspondence courses. At present I understand that the correspondence course fee is about D\$60. If the correspondence school is to become totally self-financing, the concern is that these fees are going to increase dramatically.

I want to pursue these matters with the minister once we get into Committee of the Whole and clarify the changes to the legislation and whether or not the changes will lead to what I think they might lead to.

So with that, Mr. Speaker, I would like to adjourn the debate on second reading, and if some of my colleagues want to get into second reading, they will have the opportunity to do that. But I want to reserve my further comments on this particular piece of legislation until we get into Committee of the Whole. Thank you.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 3

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 3 -- An Act respecting Custody of, Access to and Guardianship of Property of Children, Child Status and Parentage and Related Matters be now read a second time.

Mr. Prebble: -- Thank you very much, Mr. Speaker. I'm going to be brief. I made many of my remarks on this Bill last day.

I just want to say, Mr. Speaker, that we will be seeking answers from the minister in Committee of the Whole on a number of important issues that I want to summarize with respect to the Bill at this point in time.

The first matter, Mr. Speaker, is with respect to mediation services and the provision of mediation services. Mr. Speaker, it is our view that the time has come for the Government of Saskatchewan to ensure the provision of mediation services to all parties involved in a dispute and to make those mediation services available at reasonable cost, Mr. Speaker, and without the parties involved necessarily having to spend large amounts of money on legal bills, Mr. Speaker.

And therefore we are recommending that the provincial government fund positions for mediation officers working in the major court centres throughout the province. And we're disappointed, Mr. Speaker, that the Bill doesn't make provision for this proposal which it seems to us is sound, is cost-effective, and would allow many of these disputes to be settled informally rather than through the formal mechanisms of the courts.

And secondly, Mr. Speaker, we continue to be of the view that this Bill has not adequately taken account of the implications that flow from Canada shortly becoming one of the signatories of the United Nations covenant on the rights of the child. And specifically the Bill has not taken adequately into account the need for this Assembly to advance the protection and the security of children as it pertains to their rights, Mr. Speaker.

And so we're urging once again the Minister of Justice and the Government of Saskatchewan to look closely at the introduction of legislation that would establish a children's advocate in the province of Saskatchewan, and to look at what the role of the children's advocate might be as it pertains to the matters being dealt with by this piece of legislation, Mr. Speaker.

And we think that one of the very important roles that a children's advocate could play would be the provision of children with some voice during court proceedings as they relate to custody orders, Mr. Speaker. Right now, all too often, the voice of children is not adequately heard during these proceedings, and we think that the establishment of a children's advocate could very much advance that situation and overcome that problem, Mr. Speaker.

We are also of the view that this legislation should guarantee the right of a child who has reached 13 years of age to be heard in court, Mr. Speaker, when a matter relating to the making or rescinding of a custody order is under consideration. And we believe, Mr. Speaker, that children should

have the right to receive legal counsel under these circumstances, and this piece of legislation makes no such provision for that, Mr. Speaker.

We are also of the view, Mr. Speaker, that children should have an opportunity to have some input into who their legal custodian will be, if they have reached 13 years of age or more, in the event of the death of their parents. And once again, Mr. Speaker, the Bill makes no provision for that.

So, Mr. Speaker, these are just a few of the examples. I outlined many others when I addressed the matter of this Bill earlier during second reading debate. But these are just a few of the examples where we think that children, and particularly teenagers, ought to have some voice and some rights in ensuring that their best interests are protected, Mr. Speaker. And I will be looking for answers to these proposals from the Minister of Justice when we go into Committee of the Whole.

I want to conclude, Mr. Speaker, by identifying one other area where we think it is very important for children to be provided with information and to have some rights to ensure that their best interests are being protected. And this relates, Mr. Speaker, to the matter of the appointment of guardians with respect to the management of property and the information that they are obliged to provide to children.

And, Mr. Minister, I want to say through you, Mr. Speaker, that we really find it unacceptable that in fact a teenager receives no information about how a guardian, an appointed guardian is managing their property until they become 18 years of age. If you look at many other pieces of legislation in this province, and I just use as an example The Family Services Act, Mr. Speaker, a child is considered to be no longer a child at 16 years of age under that piece of legislation.

And yet we have a situation under this Bill, Mr. Speaker, where a child of 16 or 17 is not entitled to any information about how the property that their guardian holds for them and manages for them is being handled. We really find that quite unacceptable.

And I think, Mr. Speaker, to ensure that property being managed by a legally appointed guardian is being well managed, that what would make sense, Mr. Speaker, is for the minister to introduce an amendment to this piece of legislation. Don't want to get into the specifics, Mr. Speaker, other than to say that as a matter of broad principle, with respect to this Bill, the guardian that has been appointed to manage property on behalf of a child upon the death of their parents or the inability of the parents to manage the property should have to report to the children's advocate, Mr. Speaker, so that there is some third party ensuring that this property is being adequately managed and managed in the interest of the child.

And it seems to us, Mr. Speaker, that when a child reaches 16 years of age that they should be entitled to information about how the property is being managed directly from the guardian so that the children's advocate would get information on the management of the property regardless of what the age of the child was, Mr. Speaker, whether the child was 5 or 12 or 15.

But that upon coming 16 years of age, the teenager, himself or herself, would also be provided with detailed financial statements on a semi-annual basis from the guardian, Mr. Speaker.

This seems to us to be perfectly reasonable and we'll be looking for an explanation from the Minister of Justice in Committee of the Whole about why he hasn't made provision for this in the Bill. With that, Mr. Speaker, I conclude my remarks and we will be seeking obviously, amendments to the Bill, but at this point in time, on second reading, we will be supporting it.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 22

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 22 -- An Act to establish the Saskatchewan Communications Network Corporation be now read a second time.

Mr. Trew: -- Thank you, Mr. Speaker. Bill 22, An Act to establish the Saskatchewan Communications Network Corporation, has some flaws to it. It has some potential to do some good work as well.

But a couple of the flaws that I have noted are the method of funding this SCN (Saskatchewan Communications Network). And by that I refer specifically to the legislation. The cabinet will arbitrarily set the user fee -- or I should say the rate -- that all cable subscribers in Saskatchewan will be forced to pay. The cable subscribers will have absolutely no choice on whether they want to receive SCN programming and they have the same, no choice, on whether they will fund what is essentially established to be an educational network.

And the unfairness of this, Mr. Speaker, stems from the fact that there's a huge number of people in the province who choose, or in many cases simply don't have the option of having cable. So what it is, is a tax on cable subscribers. It's an arbitrary, forced tax on them. I understand the tax is initially set at \$1 per month. That's \$12 per year per cable TV hook-up.

(1615)

Other provinces have chosen to fund similar educational networks through the general taxpayer rather than going through specific cable TV users. And it seems to me that that is a fundamentally more open, more fair method of funding SCN. So I've fairly significant concern there.

One of the other areas of concern. Mr. Speaker, I notice in a Saturday, May 5 Leader-Post article that:

As it evolves, the network hopes to expand its so-called "narrowcast network" to provide one-way video and two-way audio for conferences to 48 centres by September.

There is a problem in that we are just now setting up the legislation, the Act to allow for SCN to be set up, and yet these centres have almost all been selected. And they have been selected in secrecy with the interim board -- if I may call it that -- although there's no assurance that the cabinet ministers who are currently the founding members of the board of directors of SCN, there's no assurance that they will remove themselves from that situation.

But these centres have been selected, unfortunately, sir, in a very political manner. I know of at least one town that wanted to make a presentation to the board. They wanted to apply to be one of these 48 centres, and they just absolutely couldn't get to first base. The board member refused to meet with them. And incidentally, that board member was also their MLA. So they had no recourse but to turn to the opposition critic and ask me what I could do about it.

Unfortunately, what I can do about it is point out the flaw in the way that this SCN has been set up and the way that these centres have been selected. I think it's been very, very arbitrary, very unfair, diametrically opposed to any openness of government, certainly opposed to any input from the people of Saskatchewan. The selection of these sites has certainly not gone through any process similar to ConSask or similar to any other advisory committees.

In fact, people could not find out who they were to approach. They tried approaching their MLA; their MLA refused to meet them. They tried approaching a person who happened to be one of the founding members of the board of directors; he refused to even tell them where to make the application or to ensure that they had a hearing.

And I say this story, Mr. Speaker, because the people who brought that concern to me were not wild-eyed partisan people by any stretch of the imagination. And they understood . . . they told me very clearly that indeed their application may not be the winning one.

They had a very logical, rational presentation that stated their town should be one of the 48 centres, but they understood that just because they thought it was so and because they had the numbers and the information that showed the numbers of students and the travelling area that students would have to go and the drawing area, just because they had all of the logical facts, they still knew they might not get the centre.

But they surely had the right to expect to get the ear of this so-called open government -- this open government that slammed every door in their face, that absolutely refused to give them the time of day, much less give them an opportunity to have their town named as one of the 48 centres for an SCN operation.

The Bill, Mr. Speaker, has created some animosity from members on this side of the House largely because the Bill was introduced last year in a very similar form and then withdrawn. And yet despite the fact that SCN had no legislative authority to operate, it was set up and was up and running, and

indeed has members of the cabinet . . . some of the members of cabinet are the founding board of directors. All of this, sir, without the authority of the Legislative Assembly. That of course poses some problems.

We are now eight years into the present government having been in office. In eight years they still haven't been able to get their act together and set up the required legislation before they actually get the operation up and running. And that's of course caused a great deal of concern.

We're concerned, Mr. Speaker, because of the propaganda potential of this Bill 22. It's an educational network, but because the board of directors is all named by cabinet, all appointed by the government cabinet, every single member of the board of directors, we're concerned with balanced programming. Is it all going to be predictably pro government, pro privatization? Are they going to be showing us how Americans are much better served by their health care system when in fact there is very much an opposite argument to be made, and we consistently make that. We don't for two seconds believe that our health care system has to take a second seat to anywhere, certainly nowhere in North America, and I believe, sir, nowhere in the world.

The good part of the Bill is that it does have the ability to enhance distance education, and we welcome that. The potential for people -- students, I'll use the term -- students of all ages to take classes from university, from SIAST and so on, perhaps community college classes, through the SCN network, is going to be obviously quite enhanced, and we welcome that. I think it's a very good thing when people in Saltcoats -- I'll pull that as an example because I'm led to believe it's one of the 48 centres that's been selected -- it's nice that the people of Saltcoats will have the opportunity to take classes without having to drive all the way from Esterhazy into Regina. And I wish SCN the best of luck in that endeavour, and I'm sure my colleagues also wish that.

There's some concern about the cost per student. The cost per student of the SCN network thus far has been wildly exorbitant. It would have been very much cheaper to go out and hire instructors and have one-on-one tutoring than what we've seen so far. My hope is that as the volumes of classes increase, the cost per class to SCN will go down.

Mr. Speaker, I also want to say that we welcome the employment in the production of programs. There's going to be local production for most of the SCN network programming. And I know that people in the local video and TV market very much welcome that employment opportunity. In fact I'm led to believe that it's going to increase their volume of business in the Regina-Saskatoon areas by about 20 per cent. And that's nothing to be sneezed at. That's pretty significant and is going to put some activity and some dollars into the pockets of people who are working in the production areas of SCN.

Mr. Speaker, I am looking forward to this Bill attaining third reading. I will have quite a number of questions when we get into the SCN Bill clause by clause, but as you know, in second reading we cannot ask specific questions. But we will be having a significant number of questions on this

Bill in the clause by clause. So for the second reading, Mr. Speaker, my colleagues will be supporting this SCN Bill.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

COMMITTEE OF THE WHOLE

Bill No. 16 -- An Act to amend The Mortgage Protection Act

Mr. Chairman: -- Would the minister introduce his officials.

Hon. Mr. Hepworth: -- Thank you, Mr. Chairman. I'd like to introduce to you and members of the committee, the officials with me here today. Seated to my immediate left is Len Rog, executive director of revenue division in the Department of Finance; behind him, Kirk McGregor, director of taxation policy; beside Kirk, Murray Schafer, director, education and health tax; and to Murray's right, Kelly Laurans, manager of corporate taxes and incentives.

Clause 1

Mr. Shillington: -- With respect to . . . from an earlier comment, Mr. Chairman, I gather we're dealing with Bill 16.

Mr. Chairman: -- Yes, Bill 16, An Act to amend The Mortgage Protection Act.

Mr. Shillington: -- Mr. Minister, we will not necessarily take a long time on that. I don't want that to be interpreted by anyone that we regard these Bills as unimportant; they're obviously very important Bills. But this process need not take a long time.

With respect to the mortgage protection, Mr. Minister, we have said that we do not regard this as a very wholesome way to fatten the treasury, Mr. Minister. If you needed a few extra millions for whatever nefarious project you're pursuing -- and at any given time you pursue quite a number of projects which don't do you any credit -- if you needed a little extra money for them, we think fleecing it from the pockets of the home owners was not a very wise way to get it or not a very prudent way to get it, Mr. Minister.

It's noteworthy, Mr. Minister, that in one of the taxation Bills which you introduced, you provided a small incentive for small mining companies. That's your treatment of the business sector. We think there's nothing particularly wrong with that, but you treat the consumers, who also form an important part of this province, very differently. The consumers have their pockets fleeced, but you have more money for the mining companies. Mr. Minister, your approach is neither even-handed nor fair.

Mr. Minister, I would like to know how many people, how many home owners in Saskatchewan will be affected by this change and what amount of revenue you expect to fleece from the pockets of these people.

(1630)

Hon. Mr. Hepworth: -- The savings, by making the change to the mortgage protection plan, are 17 millions of dollars to the taxpayers. As of May 1, we had 61,700 clients, so that would be the numbers that would be affected, and the average effect relative to the home owner is \$23 per month. And those are all approximate numbers, I think you can appreciate.

Mr. Shillington: -- Mr. Minister, what is the average size mortgage then? You must have had that to make that calculation.

Hon. Mr. Hepworth: -- Mr. Chairman, \$37,000.

Mr. Shillington: -- Mr. Minister, I just want to make this comment and then you may either respond and we may go on. There's nothing very progressive about this as a way of raising money. This, while it is not a tax increase, it has the same effect. You fatten the treasury by this move.

Mr. Minister, this is not a progressive way to raise money. You're taking this money, by and large, the same amount of money from the rich and the poor, Mr. Minister, and this is a regressive way to solve the financial mess into which you people have got. We object to this, Mr. Minister. We think that this is the wrong way to be dealing with your financial problems, and we state our objection again, Mr. Minister, and would have hoped that you would have reconsidered. But the hour may be somewhat late to ask you to reconsider it. But that's a real shame. This is an unfair and a regressive way to raise money.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 17 -- An Act to amend The Education and Health Tax Act

Clause 1

Mr. Shillington: -- Mr. Minister, as you might have imagined, we have less objection to this Bill.

I am curious, Mr. Minister, as to how you arrived at the formula you did. You have seemed to have the education tax . . . And I am just wondering, Mr. Minister, how you arrived at your approach on this Bill?

Hon. Mr. Hepworth: -- That's a reasonable kind of question because the number is something less than 7 per cent. And the model that was used is on a stick built house or a regular house, so to speak. There's only tax on the materials which makes up about 50 per cent, the other 50 per cent being the tradesmen's labour that goes into building it. And so we applied that same thumb rule here, and we came up with the three and a half per cent.

Mr. Shillington: -- And needless to say, this tax only applies on the sale of the house, on the mobile home, the first time on a new house. It doesn't apply to a used house.

Hon. Mr. Hepworth: -- Mr. Chairman, that's correct.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 18 -- An Act to amend The Stock Savings Tax Credit Act

Clause 1

Mr. Shillington: -- Mr. Minister. I'd like some statistics here as a background for what I hope will be a short and perhaps non-partisan discussion of this Bill.

Mr. Minister, could you tell me how many companies, how many applications have been approved, and how many stock savings companies, or whatever they're called, venture capital corporations have got going under this legislation since it was introduced, I think, four years ago.

Hon. Mr. Hepworth: -- The situation to date with the Saskatchewan stock savings tax credit is this: the capital raised through this was \$115.4 million; there were 25 certificates of eligibility issued, but 5 did not proceed for whatever reason on behalf of the company. Additional information that you may find useful but didn't request is that, as well, 6,700 residents opened plans, and the credits payable to them totalled \$15.3 million.

Mr. Shillington: -- So we have just 20 enterprises which took advantage of this? Is that the bottom line, Mr. Minister?

Mr. Minister, I wonder if you can tell us whether or not you regard those numbers as a success or a failure?

Hon. Mr. Hepworth: -- Certainly on the one hand you might make the observation that 20 enterprises that used this over some several months isn't a big, large number and on that basis you might argue that it wasn't successful. I might measure success in a couple of other ways. One, for those 20 companies this allowed them to raise \$150 million in capital they might not otherwise have raised, and so I think they would consider it very significant and very much a success.

The larger dimension to the success of this initiative might be that just that many more people in Saskatchewan are more sensitized to investing in Saskatchewan corporation through this route. It's added to that culture, if you like, moving us beyond just the Canada Savings Bonds kind of mentality in the province. Not that they aren't, not that that isn't a good mentality, and certainly who hasn't invested in them. I think it's

been important in that large a dimension as well, in that larger public sense, Mr. Chairman.

Mr. Shillington: -- Are all 20 companies still operating, all 20 of the applicants still successfully operating?

Hon. Mr. Hepworth: -- Excuse me, Mr. Chairman, I'm advised that two are in receivership.

Mr. Shillington: -- Mr. Minister, I don't regard that as an outstanding success. Just one further question, Mr. Minister. How long has this thing been in operation? I just forget when this Act was proclaimed. How long has this been in operation?

Hon. Mr. Hepworth: -- Mr. Chairman, since June of 1986 I'm advised.

Mr. Shillington: -- Four years. Mr. Minister, I don't regard that as an outstanding success. This particular program, I think was modelled in part after the Quebec stock savings plan which was very, very successful.

Mr. Minister, just very briefly, in early 1970s and late 1970s when the sovereignty association . . . the referendum took place, the English-speaking community controlled almost the entire business sector of Quebec. Now, some 10 years later, the French business community has moved in, been very successful. The French refer to them as the merchant princes. The name sounds better in French than it does in English, but the point is that this was one of the building blocks upon which the French of Quebec became maîtres chez nous, masters in their own house.

Mr. Minister, that didn't happen here. We did not become masters in our own house here. This program had just a marginal effect, if it had any, on the business climate in this province. You may say that the economic conditions were not conducive to venture capital, that perhaps there's something to that. But I have the feeling, Mr. Minister, that that wasn't all that went wrong. This was a program which, when it was implemented, I expected might be able to do something to giving this province an indigenous business community, the way it did with such success in Quebec. It wasn't the only factor at work in Quebec, but it was a major one. It didn't work here.

Mr. Minister, we didn't develop anything in the nature of a Saskatchewan princes, if I may put it that way. Both the name and the concept are foreign to us, but we didn't develop home-grown businesses which sort of remade the business community in this province.

I wonder, Mr. Minister, if you'd care to comment on why you think this was not more successful. Why were there not more applications over the four-year period, and if I may say so, Mr. Minister, industries which played a larger role in the province's business affairs.

Almost all of the major businesses in this province, such as they are and there are not many, were there before, long before the plan, indeed long before you people took office. Most of them have been there for awhile.

Morris Rod-Weeder in Yorkton is the sort of thing I'm thinking of. Most of them have been there for a long period of time and are virtually unchanged.

This program, Mr. Minister, didn't work. I for one am one who is sorry it did not. I'm sorry, Mr. Minister, that this did not succeed. A vibrant, healthy business community would obviously be good for everybody in the province, whether you happen to belong to that segment or not. I didn't happen.

I wonder, Mr. Minister, if you'd care to tell this House why you think it didn't happen and why you're giving up on the whole project at this point in time.

Hon. Mr. Hepworth: -- As I said earlier, we can debate the sort of measures you might use that determine the success or failure of the plan. I would just reiterate that those companies that were able to, those new Saskatchewan share issues, that were able to use this tool I think would probably say it was very, very successful.

As I said earlier, I think it's contributed to a culture that perhaps didn't exist to the degree that it did in Quebec. And the other differences I would offer up between what you might see in Quebec and what you saw here in Saskatchewan would be the following four points. First of all, in Saskatchewan it was just for new issues; in Quebec it was for new and existing share offerings.

(1645)

Secondly, I think you had a greater awareness or already an existing investor base to a much larger degree in Quebec than we've perhaps had in Saskatchewan. But having said that, I think we've moved a long ways in the last five or six years in this province and I think the Investment Dealers Association of Saskatchewan backed that up, not only because of this but because of the other offerings relative to potash ownership bonds, the various savings bonds, the TeleBonds, the power corporation bonds, the exchangeables, and those kinds of offerings that have been put to the public of Saskatchewan have been very, very, very successful -- 73,000 on the potash ownership bond, for example.

The other point that's worth noting, I think, when you talk about Quebec versus Saskatchewan is that in Quebec that investment sort of corporate culture base was there, partly as well because you have a stock exchange right in that province, and I think that investment base and corporate base were there to a much larger degree and that was very much a part of that corporate culture basis.

So I think those three, four points would make the case for why there is some difference between what's happened in Quebec and Saskatchewan. But having said that, I think we should and I think these companies can hold their heads high for having raised 112, \$115 million through this route.

Mr. Shillington: -- Mr. Minister, I don't wish to belabour this but it was precisely my point that there was a business community in Quebec, but it

wasn't French, it was English. After the referendum, the English business community simply left the province and went to Toronto. And that's true whether they were relatively small businesses or whether it was the Royal Bank. The Royal Bank may maintain a pretence of having a head office in Montreal but Toronto is the effective head office. They left. The business community was English. The business community today in Quebec is French.

I remember, Mr. Minister, being in the Montreal Stock Exchange -- thought I might try out my French, as inadequate as it was -- on the person at the wicket. So I spoke to the . . . (inaudible interjection) . . . Yes, that's right. I'm having enough trouble with English never mind French at the moment. Spoke to the person in the wicket, tried my French out on them, and they said to me in a snappish tone of voice: speak English. It was an English-only environment. Nobody in the place spoke French and nobody could.

The business community was English. What the stock savings plan did after the referendum was develop out of the French people -- who had certainly no more history or tradition of investing in stock savings than the Saskatchewan people did -- that French community developed a vibrant business community, an entrepreneurial, risk-taking community.

So if it worked there and it didn't work here and I for one, Mr. Minister, am very sorry it didn't. This would have been a better province had this not been added to the lengthy list of failures of this government. We shall not, Mr. Minister, mourn its passing. It hasn't worked but I for one, I'm sorry, Mr. Minister, that as I say, this has been forced to join the lengthy list of failures of this government.

Mr. Anguish: -- If the minister -- if you care to pay attention -- I'll only ask you one question. Could the minister tell us how many of the venture capital corporations also had immigrant investor funds attached to them?

Hon. Mr. Hepworth: -- I'm advised, Mr. Chairman, that as far as we know -- none of them.

Mr. Shillington: -- It reminds me of one point which I wanted to make to you, Mr. Minister. It seems to me that you have given up on the Saskatchewan entrepreneur and you have shifted your focus to the immigrants. It seems to me you're putting your efforts into not developing the Saskatchewan business community but attracting entrepreneurs here, basically from Asia. I don't object to that as such. They certainly, Mr. Minister -- people who come here from Hong Kong and from Asia -- bring with them a vibrant culture which can't help but enrich ours, and it will.

But I think that, Mr. Minister, that's what your focus has been. You've shifted from trying to develop a Saskatchewan business community to try and attract the business community from Hong Kong, or a least a share of it, to Saskatchewan. And that's really a shame. Saskatchewan people could, Mr. Minister, if given some leadership, could have developed for themselves a vibrant, entrepreneurial, risk-taking community which would have greatly

enriched this province.

Hon. Mr. Hepworth: -- Well I think, just to correct the hon. member, we don't see this as an either/or approach. We're hopeful that we can attract capital from many sources.

I think when you see the community bond proposal laid out before you that it will speak to that very, very, very important agenda of the local entrepreneurs and the movers and shakers in the given communities across Saskatchewan who believe in the province, who believe in their community, who believe in their children, who want to provide opportunities for them here in Saskatchewan and at home and in their communities; that you will see very much that we have continued to place a very high priority on that dimension of investment capital.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 23 -- An Act to amend The Corporation Capital Tax Act

Clause 1

Mr. Shillington: -- Mr. Minister, a number of these changes are in fact somewhat definitional, if I can be forgiven for that phrase. Mr. Minister, will the amendments contained in clauses 3, 4, 5, and so on, will these have the effect of raising additional revenue for the province or do the changes simply bring the law into conformity with existing practice? Or alternatively, will these changes have the effect of raising additional money? If the answer to the question is no, then that's the end of it. If the answer to the question is, yes, there'll be more money raised as a result of these changes, then I want the details quite obviously.

Hon. Mr. Hepworth: -- Mr. Chairman, I'm advised that these changes are essentially revenue-neutral and are to bring the legislation more in line with the most recent practice.

Mr. Shillington: -- I guess you have me to thank for providing the explanation for you then. I accept your thanks, Mr. Minister. Mr. Minister, one which is not neutral is the amendment -- and I cannot find the number at the moment -- the amendment which deals with small mining companies.

An Hon. Member: -- Seven.

Mr. Shillington: -- That's right. It is in fact seven. Mr. Minister, what will the effect of this be? How many companies do you anticipate this will affect? How much tax revenue will be lost to the province as a result?

Hon. Mr. Hepworth: -- Mr. Chairman, members of the committee, the cost of the surcharge deduction will be about \$150,000 and will affect 13

companies.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

Hon. Mr. Hepworth: -- Mr. Chairman, members of the committee, I would move that the committee report the Bill, and at the same time I take the opportunity to thank my officials for their advice on these four Bills.

Mr. Shillington: -- I want to join in thanking the officials for their timely and correct answers, without which the minister would have been even more hapless than is usually the case.

The committee agreed to report the Bill.

The committee reported progress.

THIRD READINGS

Bill No. 16 -- An Act to amend The Mortgage Protection Act

Hon. Mr. Hodgins: -- Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 17 -- An Act to amend The Education and Health Tax Act

Hon. Mr. Hodgins: -- Mr. Speaker, I move that this Bill be now read a third time and passed under this title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 18 -- An Act to amend The Stock Savings Tax Credit Act

Hon. Mr. Hodgins: -- Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 23 - An Act to amend The Corporation Capital Tax Act

Hon. Mr. Hodgins: -- Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

COMMITTEE OF FINANCE

Mr. Chairman: -- Being near 5 o'clock, the committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.